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June 28, 2007

OF COUNSEL
WILLIAM G. CONLY

ě,

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: <u>APPLICATION FOR PUBLIC HEARING</u>.

McCreary Sand, Reservoir A; Cotton Valley Zone, Reservoir C; and Haynesville Zone, Reservoir B; EAST DYKESVILLE FIELD, Webster and Claiborne Parishes, Louisiana.

Dear Sir:

EOG RESOURCES, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the McCreary Sand, Reservoir A; the Cotton Valley Zone, Reservoir C; and the Haynesville Zone, Reservoir B; all in the East Dykesville Field, Webster and Claiborne Parishes, Louisiana:

McCreary Sand, Reservoir A

1. To dissolve the units shown on an attached plat and designated McC RA SUC and McC RA SUD, created for the McCreary Sand, Reservoir A, by Office of Conservation Order No. 882, effective October 18, 1971.

The McCreary Sand, Reservoir A, in the East Dykesville Field, Claiborne and Webster Parishes, Louisiana, was defined in Office of Conservation Order No. 882, effective October 5, 1971.

Cotton Valley Zone, Reservoir C, and Haynesville Zone, Reservoir B

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from each of these zones and reservoirs.
- 2. To create thirteen (13) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir C, such units being shown on an attached plat and being designated CV RC SUA through CV RC SUM.

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- 3. To create twelve (12) drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir B, such units being shown on an attached plat and being designated HA RB SUA through HA RB SUL.
- 4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
- 5. To designate an operator of, and unit well for, any of the proposed units as may be appropriate.
- 6. To provide that future wells drilled to these zones, within or outside of the units proposed herein, be located no closer than 330 feet to any unit boundary and no closer than 1,000 feet to any well completed in, drilling to, or for which a permit has been granted to drill to these zones.
- 7. To permit applicant to combine downhole production from the Cotton Valley Zone, Reservoir C, with production from the Haynesville Zone, Reservoir B, in units for those zones which are identical in areal extent and in wells drilled thereon in which the interests of all parties in such units are identical.
- 8. To define the Cotton Valley Zone, Reservoir C, as that interval encountered between the measured depths of 7,930 feet and 10,025 feet in the Wheless Industries-Pelto Oil--Harp No. 1 Well, located in Section 6, Township 22 North, Range 8 West, Claiborne Parish, Louisiana, less and except the McCreary Sand, Reservoir A, as defined in Office of Conservation Order No. 882, effective October 5, 1971, insofar and only insofar as to proposed units CV RC SUF and CV RC SUK.
- 9. To define the Haynesville Zone, Reservoir B, as that interval encountered between the measured depths of 10,025 feet and 12,090 feet in the Wheless Industries-Pelto Oil--Harp No. 1 Well, located in Section 6, Township 22 North, Range 8 West, Claiborne Parish, Louisiana.
 - 10. To consider such other matters as may be pertinent to any of these sands and zones.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Louis Gilbert, 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect any such data should call Mr. Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

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By letter dated June 13, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set July 6, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held. There has been one change made in these proposals from those set out in the pre-application notice, dealing with well spacing on the proposed units.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats showing the units proposed to be dissolved and the units proposed to be created (which are identical to the plats attached to the preapplication notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of East Dykesville Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

David L. Smelley

Attorney for EOG Resources, Inc.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Clint Peveto (w/encls.) Mr. Michael Brooks (w/encls.) Mr. Louis Gilbert (w/encls.)

Interested Owners, Represented Parties and Interested Parties (w/plats only)





